

IMPLEMENTED HAY METHOD FOR JOB EVALUATION IN COMPANY AT SIDOARJO

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ABSTRACT

Job evaluation is very important for the employee being assessed and the company. Job evaluation is a method to determine whether the employee has been in the appropriate position and salary. The Hay method is one method that can be used to evaluate current positions. Hay's method has been standardized and tested in various parts of the world. The Hay method requires information about the job structure, job description, and job specifications, which is then given a point to evaluate the position. The Hay method is applied to a company in the Sidoarjo-East Java, Indonesia, to determine what wages are appropriate for workers with the workload they receive while working in this company. The research was conducted at four levels: manager, head of the department, supervisor, and operator (37 positions). Based on data processing using the Hay method, the position that obtained the highest points was the plant manager position of 752 points with a salary range of Rp. 39,000,000 - Rp. 41,000,000, and the lowest points were cleaning raw material warehouses, machines, and silos with salary ranges. Rp. 3,000,000 - Rp. 5,000,000. The greater the responsibility and workload, the greater the points and salary earned.

INTRODUCTION

Employees are an important asset to the company. According to Mangkunegara (2009), employees as company resources can use their minds to creativity to achieve the company's vision and mission. Therefore, if the employee has performed well, then the employee deserves the appropriate salary and reward. In addition, every employee has the right to receive a job evaluation which will later determine whether the employee has been in the appropriate position and salary.

Likewise, with one of the animal feed companies in the Sidoarjo area, the head of the company wants to conduct a job evaluation of one of the departments in his company to find out that the wages given so far have been following the positions and job specifications.

The department to be researched is a plant department with five divisions: pest control & fumigation, warehouse, production, engineering, and PPIC. Each division under the plant department has three positions: section head, shift supervisor, and operator. This job

evaluation will be carried out using the Hay method, which includes four traditional job evaluation factors: skill, effort, responsibility, and working condition.

The data required is in the form of primary data and secondary data. Primary data is obtained through direct interviews with each employee who will be assessed (Job Analysis). Then the primary data will be used to conduct an assessment, namely, the provision of appropriate points based on the job specification table in the Hay method (secondary data).

LITERATURE REVIEW

Job Analysis

According to Hasibuan (2005), Job Analysis analyzes and designs what jobs should be done, how the work should be done, and why the work should be done. According to Sirait (2006), job analysis is a process to obtain as detailed information as possible about the facts that occur which are needed to complete the tasks in a position. According to the above understanding, it can be concluded that job analysis is an attempt to find out about a position or work related to the tasks performed in that position.

A job analysis is a basis for finding the right worker to occupy the position or position, getting workload points from a position, and becoming the basis for all HRM activities. In conducting a job analysis, we need information about the position to be analyzed. Information collection regarding the position can be done in the following ways:

1. Identify the position to be analyzed
2. Determine the technique of gathering information
3. Using a questionnaire

Identifying existing positions means knowing what positions are in the company's organizational structure. It is not too problematic to identify this position in small companies, but there are usually several levels of positions in it, unlike in

large companies. Some information about the position is needed to identify. Information gathering can be done in several ways: making questionnaires, interviews, conducting observations, expert panels, and employee logs.

One way to get information is by distributing questionnaires. Questionnaires are the most frequently used method to ask various broad aspects of the position. This form is an example of the questionnaires.

Nama : _____
Jabatan : _____
Departemen : _____
Supervisor : _____
Tgl/bulan/tahun : _____

1. Jelaskan secara singkat pekerjaan Anda.

2. Jelaskan rincian tugas khusus yang Anda lakukan.

3. Jelaskan wewenang yang Anda miliki dalam melakukan pekerjaan.

4. Sebutkan tanggung jawab yang Anda miliki.

5. Sebutkan peralatan dan mesin yang digunakan dalam pekerjaan.

6. Sebutkan ciri-ciri fisik yang dibutuhkan dalam melakukan pekerjaan.

7. Apakah pekerjaan ini membutuhkan pengalaman?
a. Ya b. Tidak
8. Apakah pekerjaan ini membutuhkan pelatihan khusus?
a. Ya b. Tidak
9. Jelaskan kondisi kerja dalam pelaksanaan pekerjaan.

10. Jelaskan risiko/bahaya kerja yang mungkin ada.

11. Bagaimanakah pengukuran hasil kerjanya?

12. Sebutkan aspek-aspek lain yang mungkin perlu dijelaskan.

Figure 1. Questionnaires Example

The use of the questionnaire in each company and each position can be different. Questionnaire for the same position level and in a company, it is better to use the same questionnaire. For the placement of the date in the questionnaire, it is very necessary to know the conditions at a certain time, and the situation may change in the future if an analysis is carried out at a later date.

It can also be done through a questionnaire regarding the physical,

mental, experience, and training needed to do a job. It can be made into a closed question by detailing an aspect. This also applies to the physical, mental, experiential, and educational requirements needed and to other questions as far as possible and can accommodate the existing reality. The following are examples of questionnaires regarding physical, mental, experience, and training/education

Berilah tanda silang pada ciri fisik yang diperlukan untuk melakukan pekerjaan di bawah ini:

1. Kesehatan mata : tidak perlu
 cukup perlu
 sangat perlu
2. Tinggi badan : tidak perlu
 cukup perlu
 sangat perlu
3. Tidak cacat kaki : tidak perlu
 cukup perlu
 sangat perlu
4. Tidak cacat tangan: tidak perlu
 cukup perlu
 sangat perlu

Figure 2. Questionnaires Example about Physically, Mentally, and Education

After the information regarding the position is determined, the information can be used to determine the job description, Job Specifications, and job performance standards.

Job Description

Job Description is the first step of Job Analysis. According to Dessler (2006), a job description is a written statement about what an employee must do, how to do it, and the working conditions. According to Handoko (2008), a Job Description is a written statement outlining the functions, duties, responsibilities, authorities, working conditions, and other job aspects.

Based on the understanding according to the experts above, it can be concluded that the Job Description is a record written systematically about the description of a job, the duties, and responsibilities of the job written based on the facts. The purpose of writing a job description is to avoid

differences in understanding, avoid duplicate work, and know the limitations of the responsibilities and authorities of the position.

The things that must exist in making a Job Description are as follows:

1. Job identification: Information regarding the name of the position, section, and code number of the position in the organization.
2. Overview/summary of the position: a brief explanation of the position if the information provided is incomplete in identifying the position.
3. Tasks to be performed: This is the essence of the job description. Start by asking some questions about what, why a job is done, and how to do it.
4. Supervision that must be carried out and accepted: explains the names of positions that are above, below the position, and the level of supervision that will be carried out
5. Relationship with other positions: This position's vertical and horizontal relationship with positions inside and outside the organization.
6. Machinery: Equipment and materials that can be used.
7. Working conditions: Describes the physical conditions of the work environment of a position. For example, hot, cold, dusty, noisy, and especially dangerous conditions.

Job Specification

According to Mathis and Jackson (2006), Job specifications are employees' knowledge, skills, and abilities needed to demonstrate their performance and job satisfaction. According to Hasibuan (2002), Job specification describes the minimum quality requirements of people who can be accepted to carry out a position properly and competently.

From the statement above, it can be concluded that the job specification details the characteristics or qualifications needed by a person to fulfill the position. In the job specification, it will be determined the

abilities that must be possessed by a person to be able to carry out the position he holds properly and with full responsibility. A job specification generally contains a job specification that contains a clear summary of the job for the employee, followed by the superior qualifications required of the employee occupying the position.

A person will work well if he is placed in a position that matches his interests, abilities, and needs in carrying out the position. Therefore, companies must be able to place workers with their interests, abilities, and needs. Placing workers in the right position also helps workers

The purpose of holding a job specification is:

1. Help job seekers analyze whether they are eligible to apply for the vacancy
2. Helping companies to understand whether job seekers have met the level of qualifications, quality, characteristics of other requirements to fill positions required by the company
3. Provide detailed information about responsibilities, desired technical and physical skills, communication skills, and other requirements needed to do a job.
4. Help choose the most appropriate person to fill the vacant positions required by the company.

Apart from the objectives, there are several important benefits of job specification for an organization or company:

1. As a basis for conducting job evaluations
2. As a basis for determining employee performance standards
3. As a basis for conducting recruitment
4. As a basis for conducting training for workers
5. As a basis for employee promotion

After knowing the purpose and benefits of the job specifications above, it can be concluded that job specifications are important for every organization or

company to be the basis for determining everything in the field of Human Resources.

Job Evaluation

According to Dale Yoder (1998), job evaluation is a special form of job analysis that primarily emphasizes the information used to determine pay scales. Furthermore, according to Dale S. Beach (1998), job evaluation is a system created to determine the relative money of the positions of an organization.

Based on the above definition, it can be concluded that job evaluation is an activity to assign value or weight to a position and compare the value of one position to another. Job evaluation is also the basis for remuneration for employees.

One of the methods used is the Hay method. The hay method itself is formulated based on the analytical scheme method, but the weight has been determined to be easier to apply. This method is more suitable than other methods because this method is more objective and flexible by using several of these factors described through the attributes and levels contained in these attributes and is a more sophisticated method.

According to the Hay method, the job characteristics and their various factors or aspects can be grouped as illustrated in the following table.

Table 1. Hay Method Criteria

Characteristic	Factors
Know-how	Technical Know-how
	Management Know-how
	Human Relations Skill
Problem Solving	Thinking Challenge
	Freedom to Think
Accountability	Freedom to Act

- Know-how
Know-how is the set of knowledge, skills, and experience needed to complete a job in a company. There are

three attributes of Know-how: Technical Know-how, Human Relations Skills, and Managerial Know-how.

- **Problem Solving**
The complexity of the work and the thinking power needed to anticipate and solve problems that exist in work. The extent to which the person holding the position finds his answers to the problems he faces will be discussed in the Thinking Challenge, part of problem-solving.
- **Accountability**
Accountability is the result of the work of a position and the responsibilities held by that position. There are three dimensions of Accountability: freedom to act, magnitude, and impact on the result.

In addition to job characteristics, Hay's method uses a job profile. It is practical to consider the nature of the work concerning the goals and results to be achieved.

This job profile is used to:

1. Check whether the evaluation is correct
2. Monitor the level of work involved in (primary) business processes
3. Measure the relationships, ratios in jobs, and the required level of characteristics that have been found in the evaluation process.

This method uses two profiles, namely short profile and long profile. The short profile is the ratio between problem-solving (PS) and coverage of Accountability (ACC) as measured in the Hay method steps.

RESEARCH METHOD

This research will determine what objects and topics are selected for research. After knowing the selected object and topic, the next step is to identify the problem. What problems exist in the object of research. Then will determine the purpose of this study and the limitations of the problem.

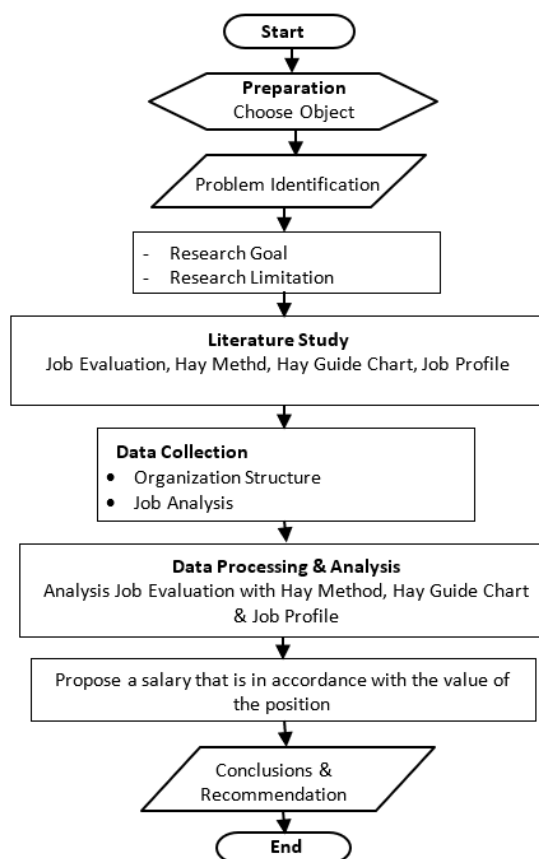


Figure 3. Research Methodology

After that, research needed a literature review on Job Evaluation, Hay Method, and Job Analysis. Collecting information on research topics, namely job evaluation, using the Hay method.

The next step is collecting the data such as the organizational structure of the plant department, Job Analysis, which includes Job Description and Job Specifications in the divisions under the plant department, namely pest control & fumigation, warehouse, production, engineering, PPIC. Determine the weight in each position on each factor according to the criteria guide of the Hay method (the Hay Guide Matrix). Give value to each position that will be evaluated based on the factors that exist in the Hay Guide Matrix.

Determine the appropriate wages for the evaluated positions by finding the lowest value in the overall assessment results, which will be shared by the MINIMUM WAGE of the city of Sidoarjo at the time of the assessment; then, the value

per 1 point will be found. After that, it will be multiplied by the number of points in each position. Checking whether the assessment made is correct by using the Job Profile. Moreover, the last step is to make conclusions and provide suggestions for appropriate wages for the company.

RESULT AND DISCUSSION

A. Organization Structure

The organizational structure is a chart or framework that exists within a company intending to be able to divide or group work so that the tasks in a position can be clear and do not deviate.

This company also uses an organizational structure to divide the tasks in each process, especially in the production process. There are six positions: directors, managers, heads of sections, shift supervisors, operators/executors, and wholesalers (volume workers are outsourced employees). In this study, which focused on the plant department, there were four levels of position, namely manager, head of the department, shift supervisor, and operator. Each level of office certainly has its challenges and tasks. The following is the organizational structure of this company:

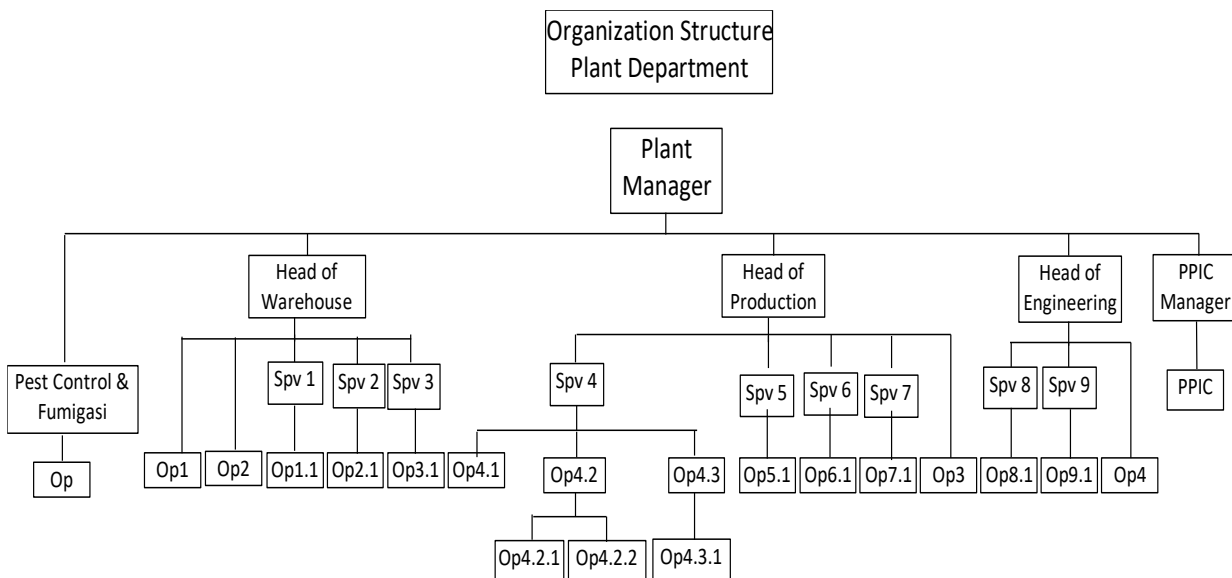


Figure 4. Organization Structure

B. Job Analysis

A job description is a written record containing a description of the duties, responsibilities, and authorities based on the facts of a position and the qualifications of a person to fit the position. Researchers conducted interviews and collaborated with Plant Managers and Heads of Sections to determine job descriptions according to the company's facts. There are several parts in the job analysis form, namely job identification, including job title, direct supervisor, and direct subordinate. There are objectives, main tasks, measurement of work results, authority, internal and

external work relations, and problems and work challenges.

Researchers conducted a job analysis on 37 positions in the plant department with four job levels and 124 workers in the plant department. The following is an example of a job analysis for the plant manager position in the plant department of this company.

Plant Manager is a position that coordinates all production, warehouse, and maintenance activities within this company. Manage production machines with a capacity of 300-350 tons/day. Silo 3 @ 2000 tons, wet silo 2 @ 100 tons, production silo 1 @ 80 tons. Coordinate with various

departments in the company and supervise 124 employees.

Table 2. Job Analysis Example

<p>Job Identity: Job title: Plant Manager Direct supervisor: Feed Div Director Direct subordinates: Head of Warehouse, Head of Production, Head of Engineering, Head of PPIC, Pest Control & Fumigation</p>
<p>Job Description: Planning, directing, supervising all production processes and warehousing activities so that they can run effectively and efficiently, based on the set plans and targets, and ensure that production runs in a sustainable manner</p>
<p>Main tasks</p> <ol style="list-style-type: none"> 1. Plan and direct all activities in the Plant Department to comply with systems, procedures, and Work Instructions. 2. Planning and directing the production process running according to demand. 3. Planning and directing the implementation of K3 runs according to the standards set out in the laws and regulations. 4. Planning and directing working relationships within the Plant Department and between departments. 5. Plan and direct the implementation of company regulations 6. Planning and directing HR development in the Plant Department.
<p>Performance Measurement</p> <ol style="list-style-type: none"> 1. All operational activities in the Plant Department run well and smoothly. 2. The production target is achieved. 3. Work accidents that occur can be minimized. 4. Cooperative working relationship. 5. The Plant Department employees' work discipline is according to company regulations. 6. An effective HR profile and composition are formed to carry out the production process.
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C. Calculate Know-how Score

Know-How is a set of knowledge, skills, and experience required to complete (some) the company's work. There will be three factors in know-how: technical know-how, management know-how, and human relations skill. The following is the determination of the know-how score for the plant manager position

- Plant Manager

Technical Know-How (TKH): Seasoned Professional (F)

Plant Manager position must have in-depth knowledge in their field. This position also requires extensive experience and concepts and principles because it has many workers under it.

Management Know-How (MKH): Managerial (II)

Position Plant Manager must be able to supervise and evaluate the many workers under him. The success of his work can be achieved by delegating responsibilities to a group of other positions, namely the head of the section. This position also has a lot to do with outside parties

Human Relations Skill (HRS): Important (2)

The Plant Manager position must be able to motivate his subordinates because the performance of his subordinates also influences the success of the Plant Manager's work. This position also needs to coordinate with

many other departments and companies.

D. Calculate Problem Solving Score

Problem Solving is the thinking needed to analyze, evaluate, create, reason, reach and draw conclusions. Problem-Solving itself has two factors, namely, Thinking Environment and Thinking Challenge. The following is the determination of Problem Solving in the plant manager position.

- Plant Manager

Thinking Environment: Broadly Defined (F)

This Plant Manager position has uncertain problems. His freedom to solve problems is still limited by the general policies that apply within the company.

Thinking Challenge: Adaptive (4)

The Plant Manager position requires the ability to analyze and solve problems in a fast time so as not to interfere with the work in the plant department.

E. Calculate Accountability Score

Accountability is the result of the work of a position for the company. There are three factors: freedom to act is a person's freedom to act. Magnitude is the size of the monetary unit managed by a position. Impact on the result is the extent of the impact generated by the position for the company.

The following is the determination of Accountability for the plant manager position.

- Plant Manager

Freedom to Act: Directed (E)

This Plant Manager position must have good work procedures for his subordinates and can direct and be directed according to company rules. In addition, a manager also has the right to make decisions regarding managed operations.

Magnitude: Medium (3)

This Plant Manager position performs financial management in the form of submitting funds for the needs of the plant department in the amount of $\pm 12M$ per year.

Area and Type of Impact: Contributory (C)

This Plant Manager position results from his work providing administrative and informative services/support and includes line functions within the company.

F. Job Profile

The Check Profile in the Hay Method aims to determine whether the job evaluation carried out is appropriate. This activity is done by comparing the Problem Solving and Accountability scores. The comparison between the Problem Solving score and the Accountability score should not exceed four steps of the Score Range. If there are more than four steps, there is an error in the job evaluation.

The following is an example of a Job Profile for the Plant Manager position

- Plant Manager

TKH (F-II-2) : 400

PS (F-4(50%)) : 200

ACC (E-3-C) : 152

Job Size : $400 + 200 + 152 = 752$

Because the problem-Solving score is greater than Accountability ($200 > 152$), the JDQ (Job Description & Job Qualification Requirement) is in the "P" Profile, and the difference between the two scores from 200 to 152 has two steps, namely 152, 175, 200 so "Job Profile" is at P2.

G. Calculate Indeks

After calculating the Hay Point score (Job Score), the next step is to calculate the Take Home Pay for each position in the plant department according to each hay point that has been obtained. To do the calculation, we need a value of 1 point, which will be multiplied by the hay point that has been obtained. Getting a value of 1 point can be done by dividing the minimum

wage of Sidoarjo City by the lowest points obtained from 80 positions that have been evaluated.

Minimum wage of Sidoarjo City 2021 : IDR 4,293,581.00

Minimum Hay Point : 80

Index = $UMK / (\text{Minimum Job Score})$
 = $4,293,581 / 80$

= IDR 53,669

H. THP Range

Take-Home Pay Range determines the salary range according to a position's workload. This salary range is 2 million in each range. This salary range is determined according to the agreement between the researcher and the company, namely the plant manager

Table 3. PHP Salary Range

Grade	Range			
		Min		Max
A	Rp	3,000,000	Rp	5,000,000
A+	Rp	5,000,000	Rp	7,000,000
A++	Rp	7,000,000	Rp	9,000,000
B	Rp	9,000,000	Rp	11,000,000
B+	Rp	11,000,000	Rp	13,000,000
B++	Rp	13,000,000	Rp	15,000,000
C	Rp	15,000,000	Rp	17,000,000
C+	Rp	17,000,000	Rp	19,000,000
C++	Rp	19,000,000	Rp	21,000,000
D	Rp	21,000,000	Rp	23,000,000
D+	Rp	23,000,000	Rp	25,000,000
D++	Rp	25,000,000	Rp	27,000,000
E	Rp	27,000,000	Rp	29,000,000
E+	Rp	29,000,000	Rp	31,000,000
E++	Rp	31,000,000	Rp	33,000,000
F	Rp	33,000,000	Rp	35,000,000
F+	Rp	35,000,000	Rp	37,000,000
F++	Rp	37,000,000	Rp	39,000,000
G	Rp	39,000,000	Rp	41,000,000

After determining the Take Home Pay range and Grade, we will include it in the recapitulation of the Take Home Pay calculation results in the plant department with 37 positions that have been evaluated and the Hay Point/Job Score obtained.

Based on the calculations carried out by the Hay method, the final results of job evaluations at the company that are the object of research are as follows:

Table 4. THP Range

No	Job Title	Job Score	GradeTake Home Pay
1	Plant Manager	752	G
2	Head of Warehouse	342	C+
3	Head of Production	480	D++
4	Head of Engineering	461	D+
5	Head of PPIC	309	C

Table 5. Job Evaluation Result

No	Job Title	Know-How			Problem Solving			Accountability			Job Size	Profile			
		TKH	MKH	HRS	Point	TE	TC	%	Point	FA			MAG	IMP	Point
1	Plant Manager	F	II	2	400	F	4	50	200	E	3	C	152	752	P2
2	Head of Warehouse	D	II	1	200	E	3	33	66	D	3	R	76	342	A1
3	Head of Production	E	II	2	304	E	3	33	100	D	3	R	76	480	P2
4	Head of Engineering	E	II	2	304	E	3	33	100	D	2	R	57	461	P4
5	Head of PPIC	E	I	1	200	E	3	33	66	D	1	R	43	309	P3

CONCLUSION

Based on data collection, data processing, and calculations that have been carried out, the conclusions of this study are:

1. The highest points obtained in evaluating this position in the plant department are 752 points obtained by the plant manager position, while the lowest points obtained are 57 points obtained by the positions of raw material warehouse cleanliness, engine cleanliness, and silo cleanliness.
2. The index or value for every 1 point is Rp. 53,669. The reference for this index is the minimum wage of Sidoarjo City in 2021, which is Rp. 4,293,581. If the minimum wage of Sidoarjo City changes one day, the index will also change.
3. The highest Take Home Pay grade is at G with a Take Home Pay range of IDR 39,000,000 – IDR 41,000,000 obtained by the Plant Manager position, after which the second rank is in Grade D++ with a Take Home Pay range of IDR 25,000,000 – IDR 27,000,000 earned by the position of the Head of Production. Meanwhile, the lowest Grade is A with a Take Home Pay range of Rp. 3,000,000 – Rp

5,000,000 received by several positions, namely Pest Control & Fumigation, Coordinator of Raw Material Warehouse. Weigh Room. Ready Feed Crew, Raw Material Warehouse Cleaning, Forklift Operators, Loader Operators, Dump Truck Operators, Machine Cleaners, Silo Operators, Silo Cleaners, Premix Operators, Premix Operators. This section provides the conclusion, implications, and suggestions for future study.

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